

**SECURITIES AND EXCHANGE  
COMMISSION**

[Release No. 34-96335; File No. SR-  
CboeBZX-2022-043]

**Self-Regulatory Organizations; Cboe  
BZX Exchange, Inc.; Notice of  
Withdrawal of a Proposed Rule Change  
To Amend Exchange Rule 14.11(d) To  
Accommodate Exchange Listing and  
Trading of Options-Linked Securities**

November 16, 2022.

On August 18, 2022, Cboe BZX Exchange, Inc. (“BZX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend BZX Rule 14.11(d) to accommodate the listing and trading of Options-Linked Securities.

The proposed rule change was published for comment in the **Federal Register** on September 8, 2022.<sup>3</sup> On October 14, 2022, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> The Commission received no comment letters on the proposed rule change.

On November 10, 2022, the Exchange withdrew the proposed rule change (SR-CboeBZX-2022-043).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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**SECURITIES AND EXCHANGE  
COMMISSION**

[Release No. 34-96333; File No. SR-  
NYSEARCA-2022-77]

**Self-Regulatory Organizations; NYSE  
Arca, Inc.; Notice of Filing and  
Immediate Effectiveness of Proposed  
Rule Change To Amend 6.41P-O**

November 16, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on November 9, 2022, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization’s  
Statement of the Terms of Substance of  
the Proposed Rule Change**

The Exchange proposes to amend 6.41P-O (Price Reasonability Checks—Orders and Quotes). The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

**II. Self-Regulatory Organization’s  
Statement of the Purpose of, and  
Statutory Basis for, the Proposed Rule  
Change**

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

**A. Self-Regulatory Organization’s  
Statement of the Purpose of, and the  
Statutory Basis for, the Proposed Rule  
Change**

**1. Purpose**

The Exchange proposes to amend Rule 6.41P-O (Price Reasonability Checks—Orders and Quotes) to modify

the application of certain risk checks on Pillar as set forth below.

The Exchange recently revised Rule 6.41P-O to clarify the application of the “Price Reasonability Checks” to orders and quotes, which include the Arbitrage Check and the Intrinsic Value Check (collectively, the “Checks”), when such Checks rely on last sale information.<sup>4</sup> In particular, the Exchange modified the rule to reflect Pillar functionality that excluded from the Checks those transactions (such as odd lot transactions) that are not “last-sale eligible.” However, the Exchange has determined to modify the operation of the Checks under Pillar such that they apply to trades in underlying securities of any size, including odd lots.<sup>5</sup> The Exchange believes that applying the Checks based on a broader range of underlying transactions—both round lots and odd lots—would enhance the efficacy of the Checks as this proposed functionality would provide a better representation of the trade prices occurring in the underlying market.<sup>6</sup> As such, the Exchange believes that the proposed functionality would continue to provide price protection to OTP Holders and OTP Firms.

As proposed, the Arbitrage Check would reject or cancel (if resting) a buy order or quote for call options if the price of the order or quote is equal to or greater than the price of the last trade (of any size) of the underlying security on the Primary Market, plus a specified threshold to be determined by the Exchange and announced by Trader Update.<sup>7</sup> Regarding the Intrinsic Value Check, the Exchange proposes that the Intrinsic Value of a put option would be equal to the strike price minus the price of the last trade (of any size) of the underlying security on the Primary Market” and the Intrinsic Value of a call option would be equal to the price of

<sup>4</sup> See Rule 6.41P-O(b) and (c) (describing the Arbitrage Check and the Intrinsic Value Check, respectively). See Securities Exchange Act Release No. 95088 (June 13, 2022), 87FR 36556 (June 17, 2022) (SR-NYSEArca-2022-34) (immediately effective filing to modify Rule 6.41P-O(b) and (c) to use as a basis for the Check “the price of the last—sale eligible trade” of the underlying security, rather than the “last sale price” of the underlying security).

<sup>5</sup> The Exchange notes, prior to migrating to Pillar, the Exchange included odd lots in its application of the Arbitrage Check and Intrinsic Value Check, per Rules 6.60-O (Price Protection—Orders) and 6.61-O (Price Protection—Quotes). See also NYSE American LLC (“NYSE American”) Rules 967NY (c)(1), (2) and 967.1NY (regarding the application of Arbitrage Checks and Intrinsic Value Checks to orders and quotes, respectively).

<sup>6</sup> The Exchange notes that trades in higher-priced underlying securities tend to be odd lots, which highlights the importance of capturing such trades in the Checks.

<sup>7</sup> See Rule 6.41P-O(b)(2).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 95655 (Sept. 1, 2022), 87 FR 55068.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 96077, 87 FR 63830 (Oct. 20, 2022).

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.